

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

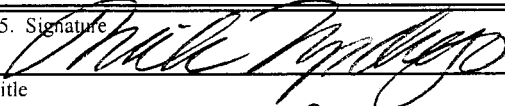
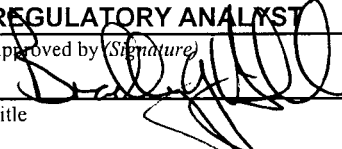
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-40736
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. CA UTU-60774
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-7024	8. Lease Name and Well No. BONANZA 1023-10J
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 2374'FSL, 1763'FEL 644395 Y 39.962760 At proposed prod. Zone 4424'180 Y 109.209399		9. API Well No. 43-047-38229
14. Distance in miles and direction from nearest town or post office* 32.1 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1763'	16. No. of Acres in lease 642.36	11. Sec., T., R., M., or Blk. and Survey or Area SECTION 10, T10S, R23E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 7900'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5468'GL	20. BLM/BIA Bond No. on file BOND NO. 2971100-2533	13. State UTAH
22. Approximate date work will start*		17. Spacing Unit dedicated to this well 40.00
23. Estimated duration		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 5/30/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 07-10-06
Title ENVIRONMENTAL MANAGER		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

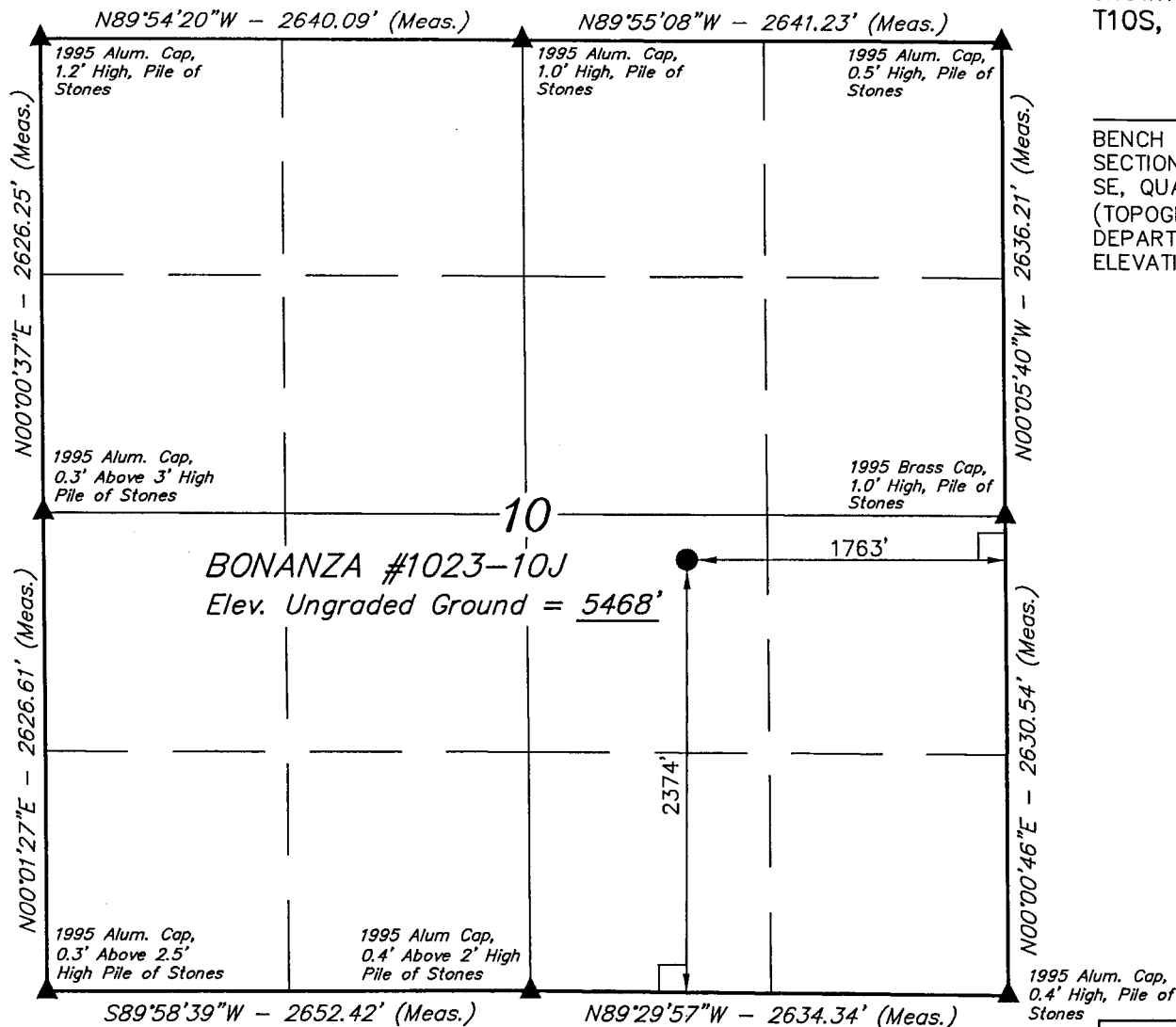
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

JUN 05 2006

Federal Approval of this
Action is Necessary

T10S, R23E, S.L.B.&M.



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)
 LATITUDE = 39°57'46.02" (39.962783)
 LONGITUDE = 109°18'35.78" (109.309939)
 (NAD 27)
 LATITUDE = 39°57'46.14" (39.962817)
 LONGITUDE = 109°18'33.34" (108.309261)

LEGEND:

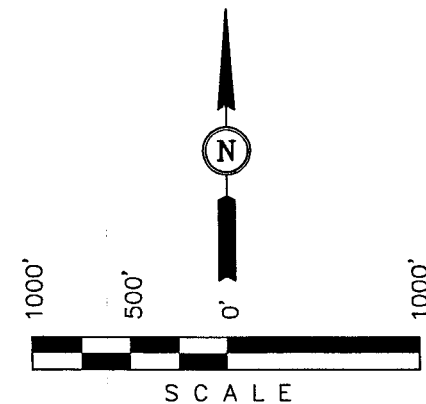
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

Kerr McGee Oil & Gas Onshore LP

Well location, BONANZA #1023-10J, located as shown in the NW 1/4 SE 1/4 of Section 10, T10S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS, MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161318
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 03-06-06	DATE DRAWN: 03-14-06
PARTY P.J. N.F. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr McGee Oil & Gas Onshore LP	

**BONANZA #1023-10J
NW/SE Sec. 10, T10S,R23E
UINTAH COUNTY, UTAH
UTU-40736**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1009'
Top of Birds Nest Water	1353'
Mahogany	1966'
Wasatch	4018'
Mesaverde	6008'
MVU2	6838'
MVL1	7378'
TD	7900'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1009'
	Top of Birds Nest Water	1353'
	Mahogany	1966'
	Wasatch	4018'
Gas	Mesaverde	6008'
Gas	MVU2	6838'
Gas	MVL1	7378'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 7900' TD, approximately equals 4898 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3160 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	May 30, 2006		
WELL NAME	BONANZA 1023-10J	TD	7,900'	MD/TVD	
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
		ELEVATION	5,468' GL	KB	5,483'
SURFACE LOCATION	NWSE SECTION 10, T10S, R23E 2374'FSL, 1763'FEL				BHL
	Latitude:	39.962783	Longitude:	109.309939	Straight Hole
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.				

GEOLOGICAL FORMATION		DEPTH	HOLE SIZE	MECHANICAL CASING SIZE	MUD WEIGHT
LOGS	TOPS	40'		14"	
Catch water sample, if possible, from 0 to 4,018'			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
	Green River @	1,009'			
	Top of Birds Nest Water @	1353'			
	Preset f/ GL @				
	1,860' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	1,966'			
Mud logging program TBD Open hole logging program f/ TD - surf csg			7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Wasatch @	4,018'			
	Mverde @	6,008'			
	MVU2 @	6,838'			
	MVL1 @	7,378'			
	TD @	7,900'			Max anticipated Mud required 11.5 ppg



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1860	32.30	H-40	STC	0.76*****	1.57	4.83
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 7900	11.60	I-80	LTC	2.61	1.34	2.51

- 1) Max Anticipated Surf. Press (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
- (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
- MASP 2986 psi
- ***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
			NOTE: If well will circulate water to surface, option 2 will be utilized				
SURFACE	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
Option 2	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,510'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	4,390'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1230	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

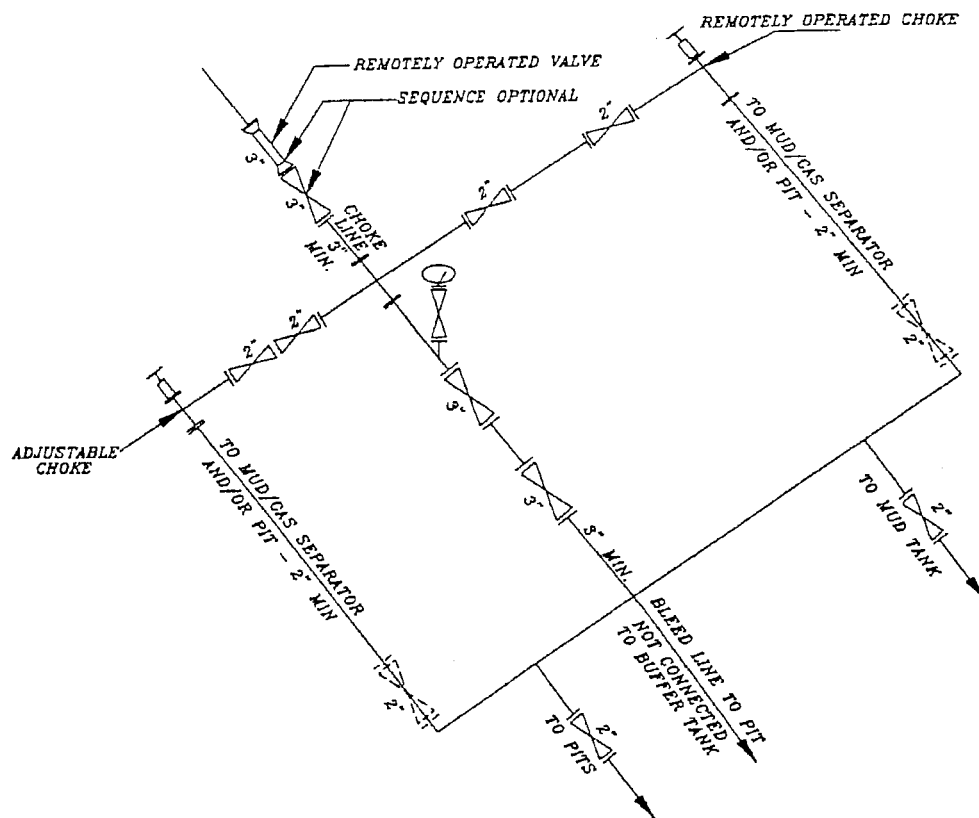
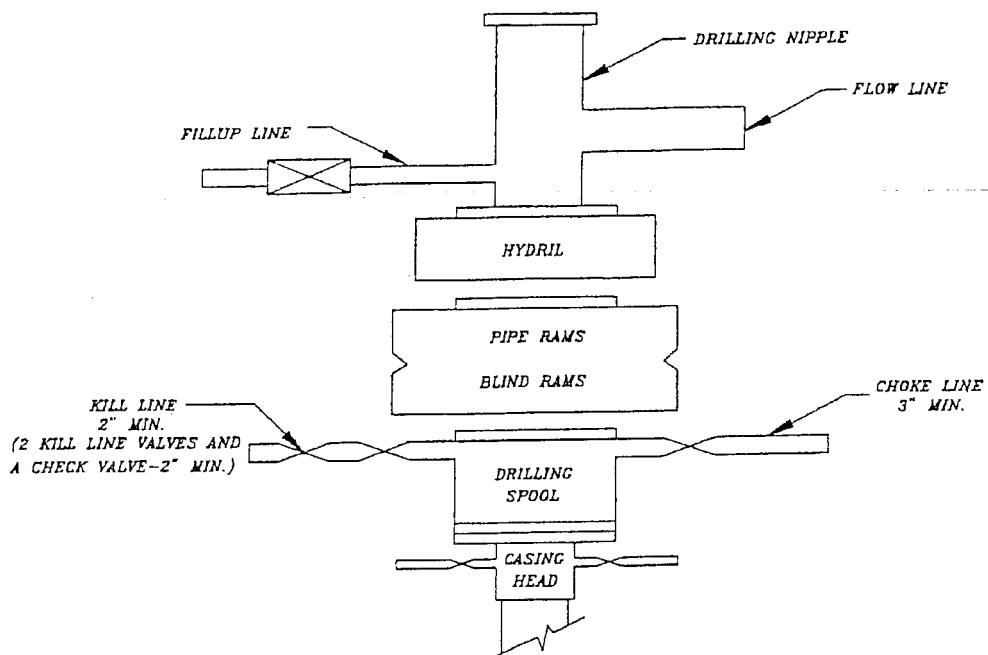
DATE: _____

DRILLING SUPERINTENDENT:

Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BONANZA 1023-10J
NW/SE SECTION 10, T10S, R23E
UINTAH COUNTY, UTAH
UTU-40736**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.15 +/-miles of new access roads is proposed. Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 600' of 4" steel pipeline is proposed. Please refer to the Topo Map D. The pipeline will be butt-welded together.

The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface:*Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Crested Wheatgrass	4 lbs.
Needle and Thread Grass	4 lbs
Indian Rice Grass	4 lbs.

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. Other Information:

A Class III archaeological survey has been performed and completed on May 17, 2006, the Archaeological Report No. 05-119.

A Paleontological survey will be submitted when they are received by our office.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

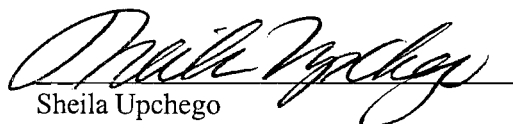
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #2971100-2533.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

May 30, 2006
Date

Kerr-McGee Oil & Gas Onshore LP
BONANZA #1023-10J
SECTION 10, T10S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 4.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 63.1 MILES.

Kerr-McGee Oil & Gas Onshore LP
BONANZA #1023-10J
LOCATED IN UINTAH COUNTY, UTAH
SECTION 10, T10S, R23E, S.L.B.&M.

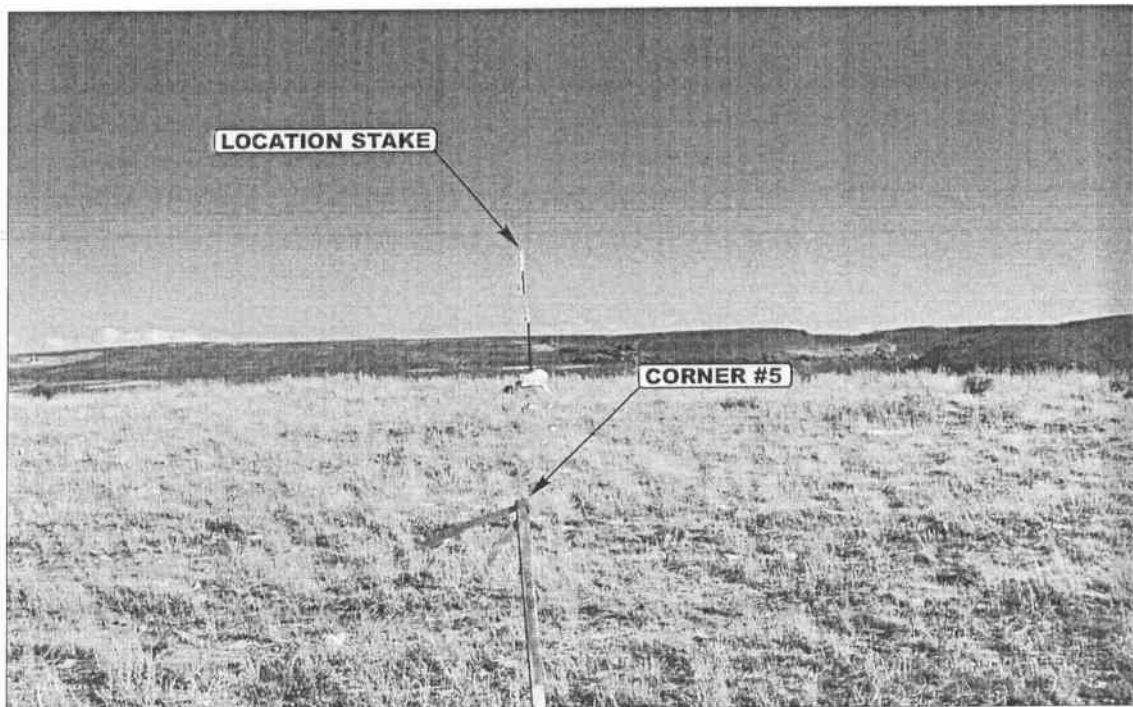


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

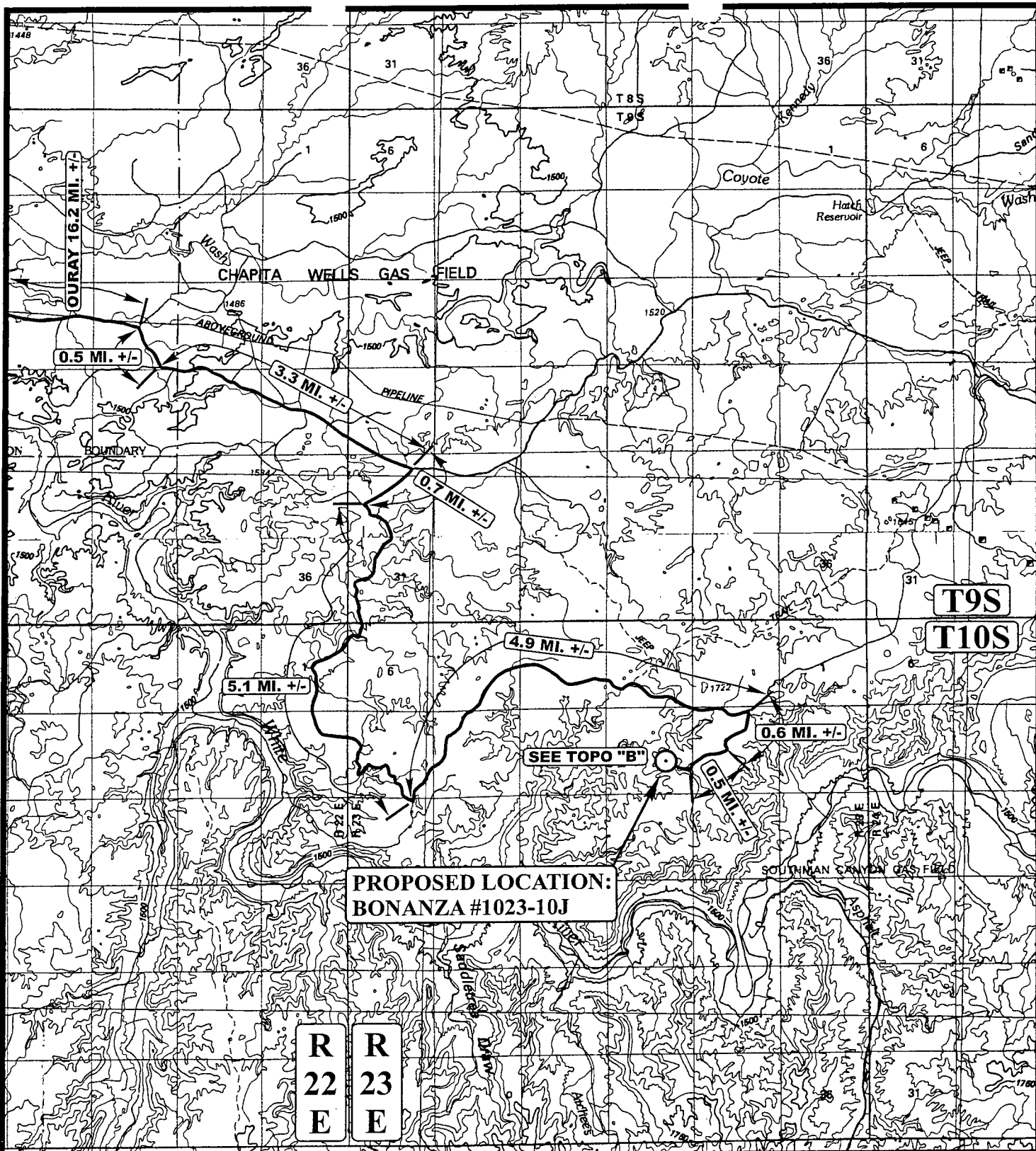
CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			03	16	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: P.J.		DRAWN BY: LDK		REVISED: 00-00-00		



LEGEND:

○ PROPOSED LOCATION

N

Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-10J

SECTION 10, T10S, R23E, S.L.B.&M.

2374' FSL 1763' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

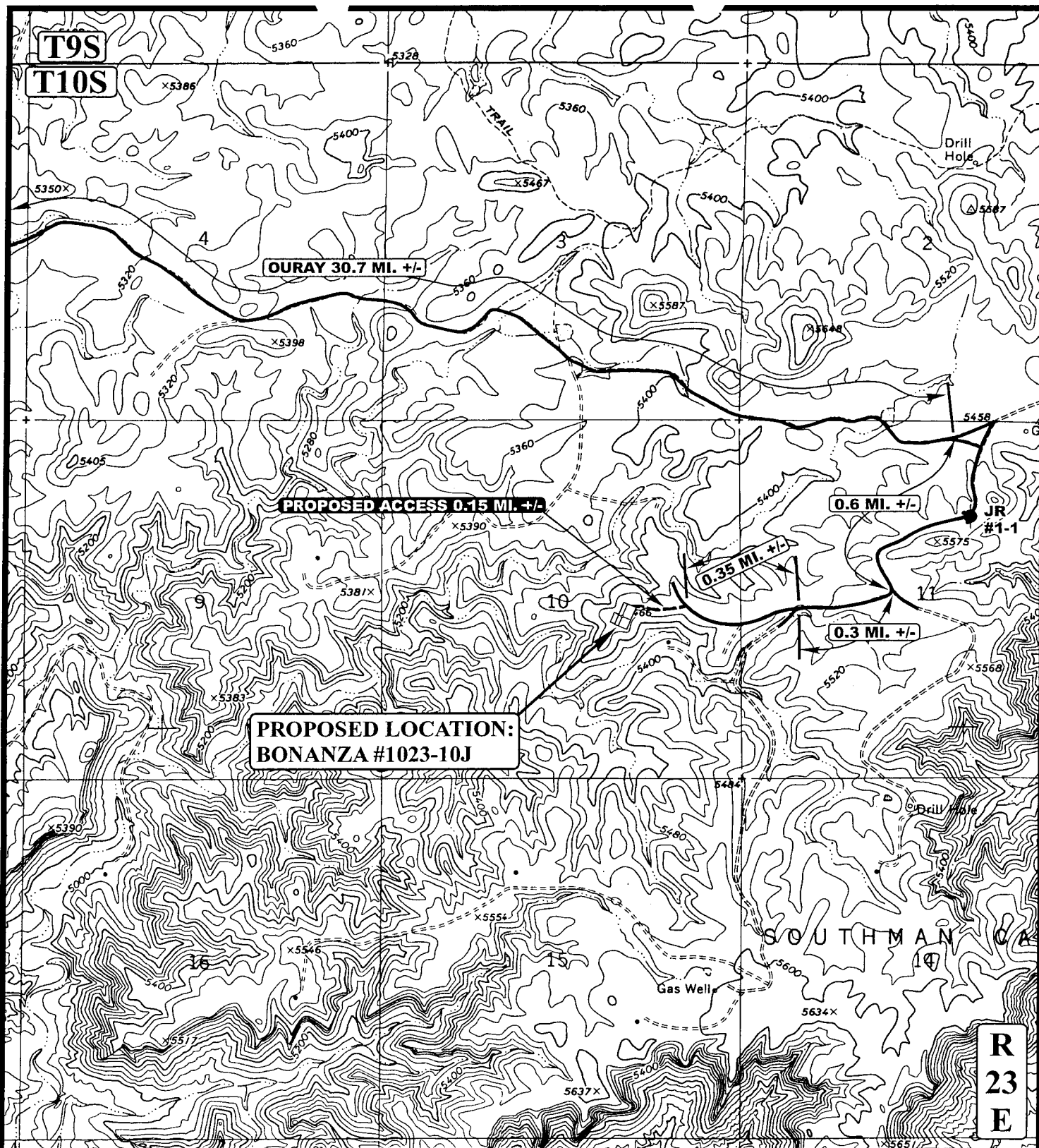
03 16 06
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: LDK

REVISED: 00-00-00





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

N

Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-10J
SECTION 10, T10S, R23E, S.L.B.&M.
2374' FSL 1763' FEL



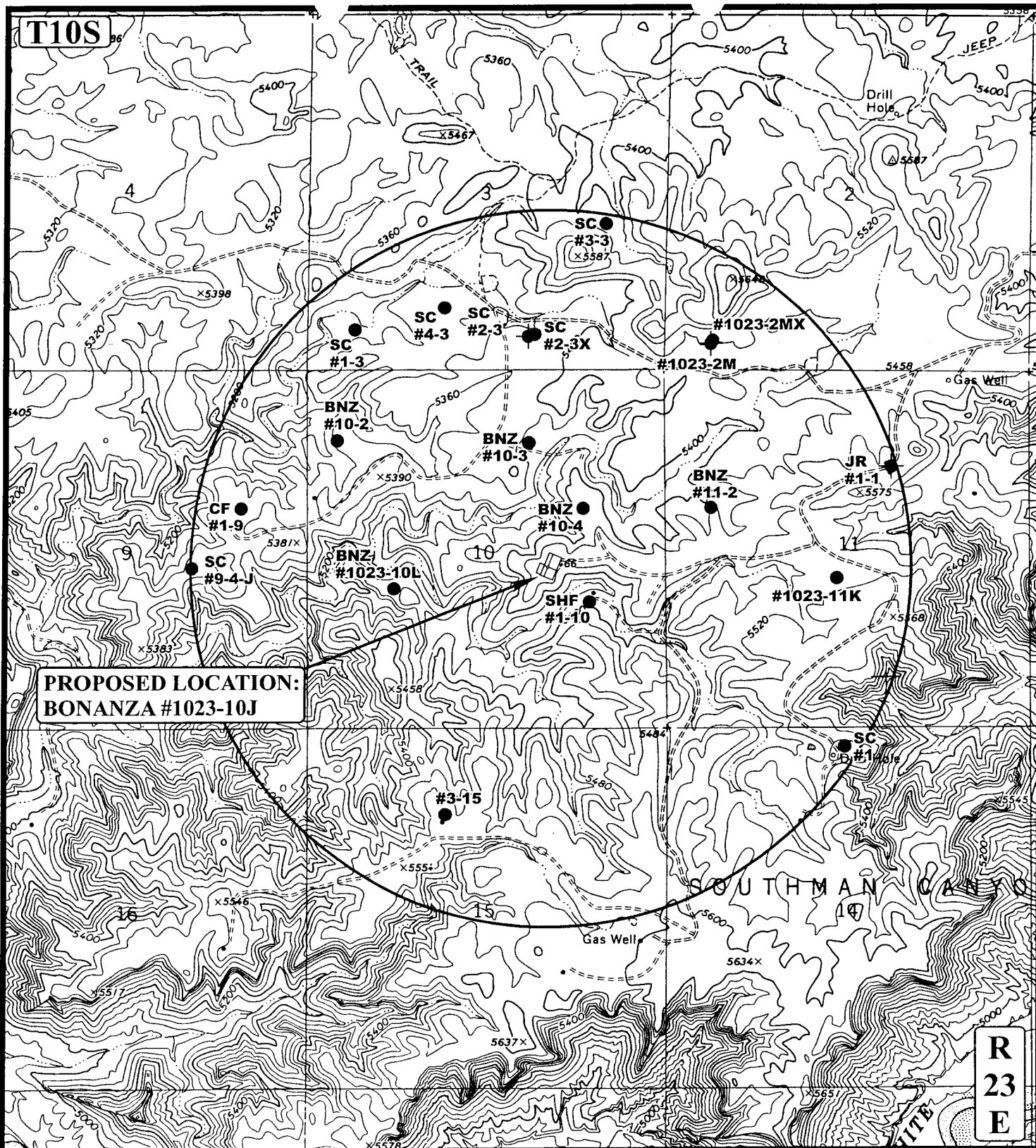
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

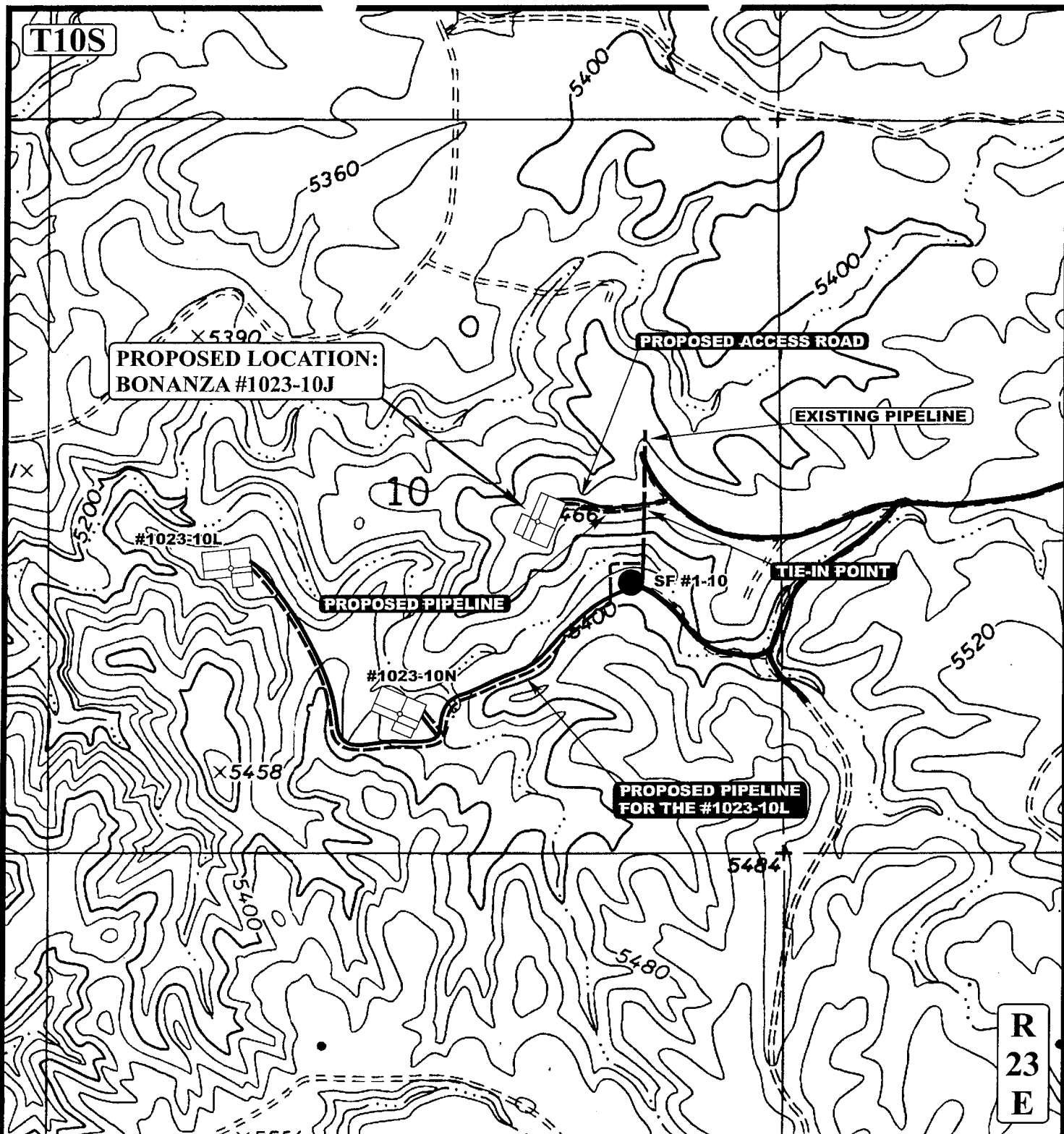
TOPOGRAPHIC
MAP

03 **16** **06**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00

B
TOPO





APPROXIMATE TOTAL PIPELINE DISTANCE = 600' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-10J

SECTION 10, T10S, R23E, S.L.B.&M.

2374' FSL 1763' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

03 16 06
MONTH DAY YEAR

SCALE: 1"=1000' DRAWN BY: LDK REVISED: 00-00-00



Kerr-McGee Oil & Gas Onshore LP
BONANZA #1023-10J
PIPELINE ALIGNMENT
LOCATED IN UTAH COUNTY, UTAH
SECTION 10, T10S, R23E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

03 16 06
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: LDK

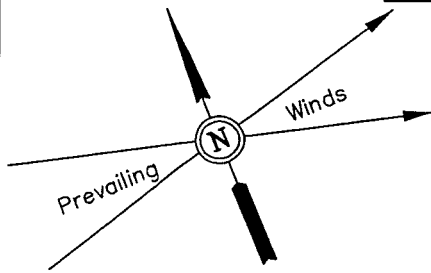
REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

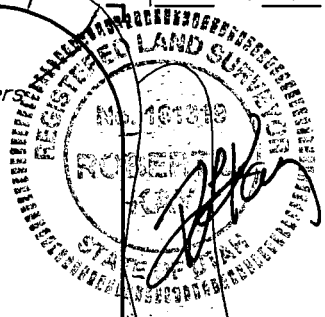
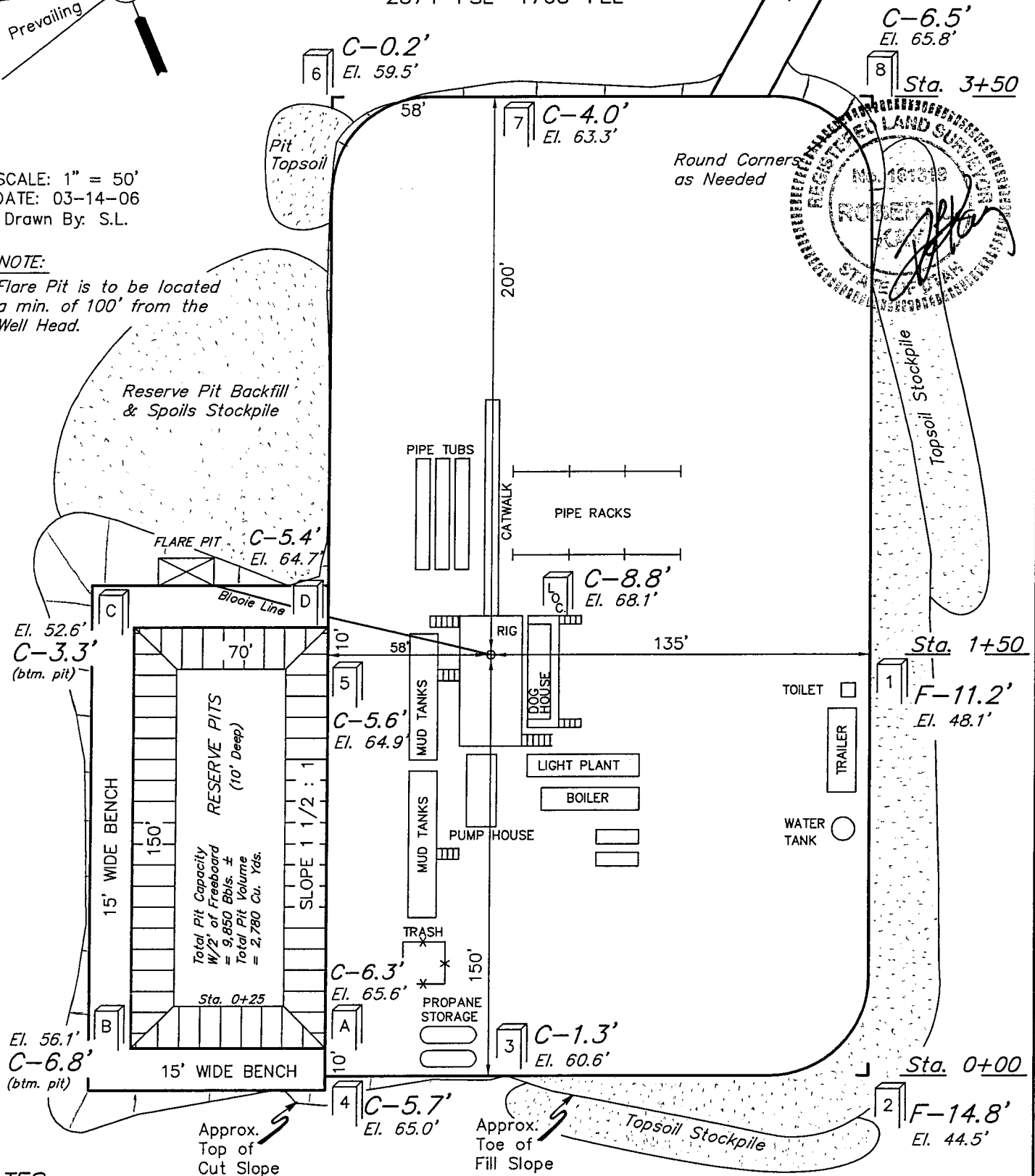
BONANZA #1023-10J
SECTION 10, T10S, R23E, S.L.B.&M.
2374' FSL 1763' FEL



SCALE: 1" = 50'
DATE: 03-14-06
Drawn By: S.L.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5468.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 5459.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

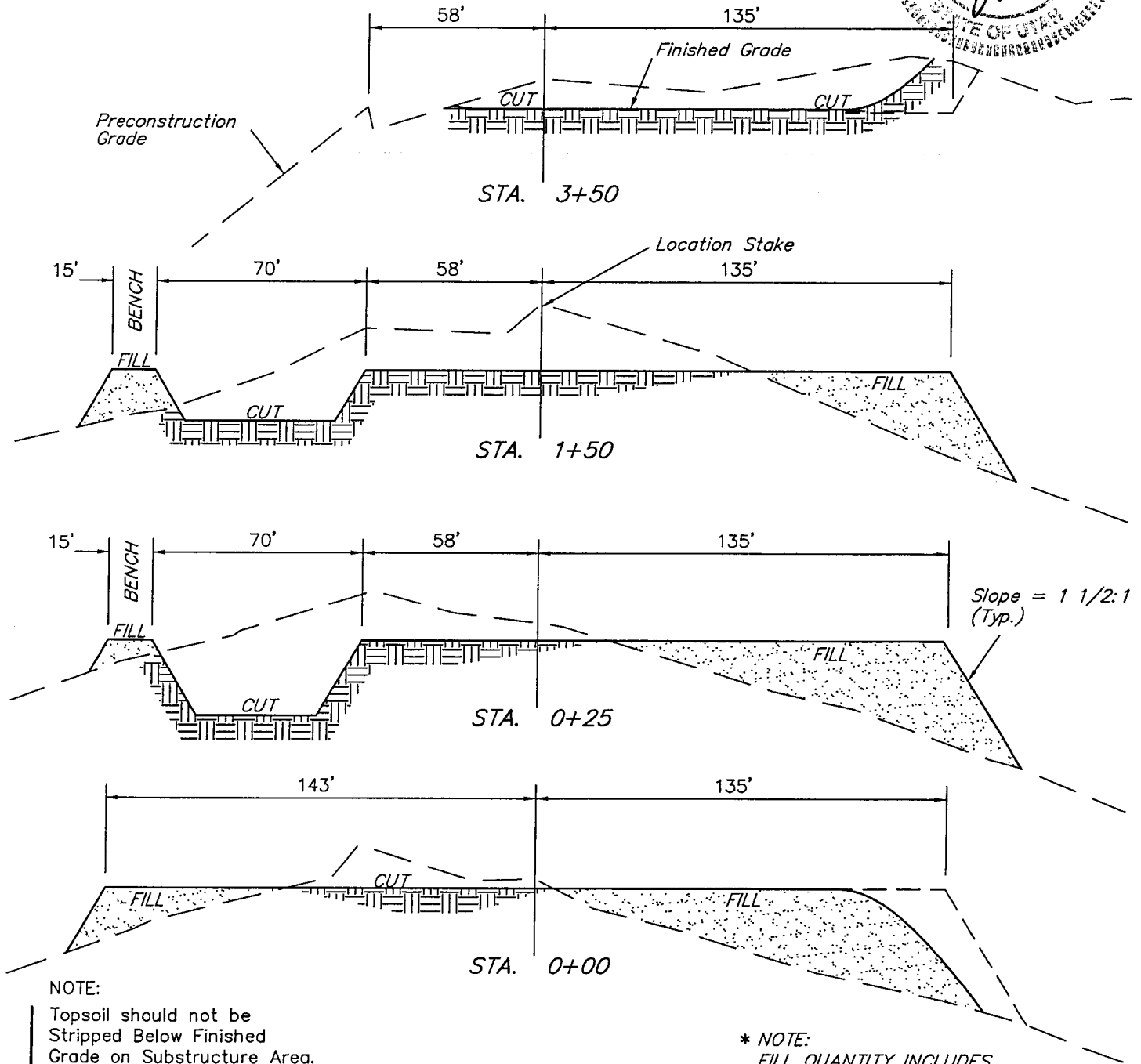
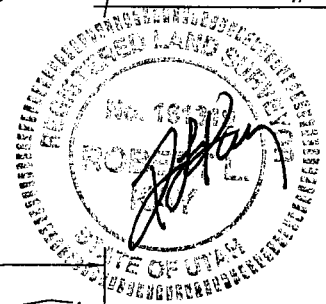
FIGURE #2

TYPICAL CROSS SECTIONS FOR

BONANZA #1023-10J
SECTION 10, T10S, R23E, S.L.B.&M.
2374' FSL 1763' FEL

X-Section
Scale
1" = 50'

DATE: 03-14-06
Drawn By: S.L.



NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,830 Cu. Yds.
Remaining Location = 8,660 Cu. Yds.

TOTAL CUT = 10,490 CU.YDS.

FILL = 7,270 CU.YDS.

EXCESS MATERIAL = 3,220 Cu. Yds.

Topsoil & Pit Backfill = 3,220 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/05/2006

API NO. ASSIGNED: 43-047-38229

WELL NAME: BONANZA 1023-10J

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWSE 10 100S 230E

SURFACE: 2374 FSL 1763 FEL

BOTTOM: 2374 FSL 1763 FEL

COUNTY: UINTAH

LATITUDE: 39.96276 LONGITUDE: -109.3094

UTM SURF EASTINGS: 644395 NORTHINGS: 4424782

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-40736

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 2971100-2533)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 43-8496)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.

Unit: _____

☐ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 179-12

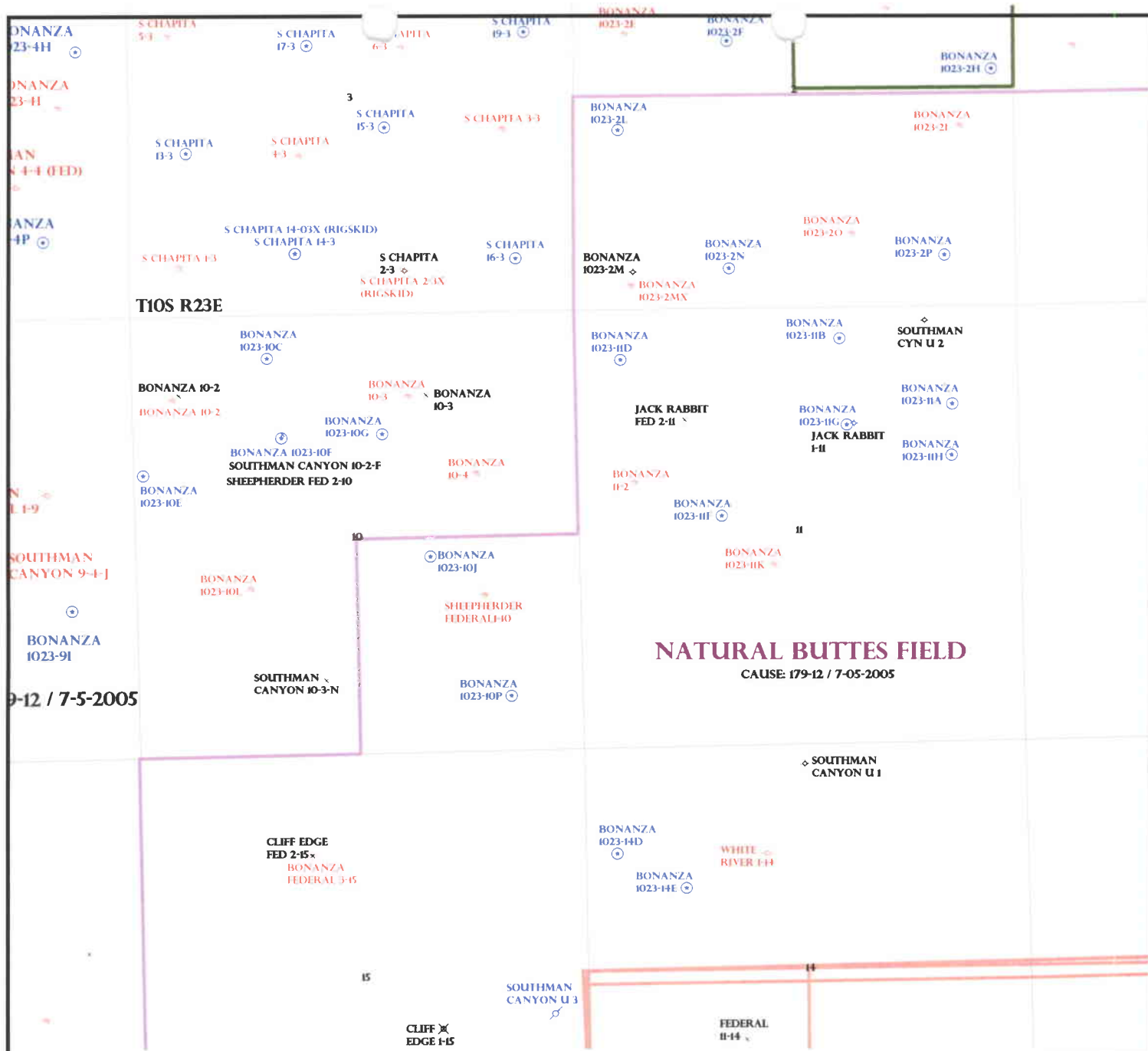
Eff Date: 7-5-05

Siting: 460' from next well & 920' from other wells.

☐ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval



PREPARED BY: DIANA WHITNEY
DATE: 14-JUNE-2006



Kerr-McGee Oil & Gas OnShore LP
1999 Broadway, Suite 3700, Denver, Colorado 80202
303-296-3600 • Fax 303-296-3601

June 29, 2006

Ms. Diana Whitney
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: Bonanza 1023-10J
T10S-R23E
Section 10: NWSE
2,374' FSL, 1,763' FEL
Uintah County, Utah

Dear Ms. Whitney:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 179-12. The well location is less than 920' from the producing SH 1-10 well, which is producing from the same pool. Both wells are located within the same E/2 spacing unit and the proximity between wells does not interfere with the correlative rights of the royalty and working interest owners.

Kerr-McGee requests your approval of this exception location. If you have any questions or require any additional information, please do not hesitate to call me at 720-264-2618.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Chris Latimer', written over a horizontal line.

W. Chris Latimer, CPL
Senior Landman

cc: Raleen Weddle

RECEIVED

JUL 03 2006

DIV. OF OIL, GAS & MINING



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 10, 2006

Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

Re: Bonanza 1023-10J Well, 2374' FSL, 1763' FEL, NW SE, Sec. 10, T. 10 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38229.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Bonanza 1023-10J
API Number: 43-047-38229
Lease: UTU-40736

Location: NW SE **Sec.** 10 **T.** 10 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

JUN 01 2006


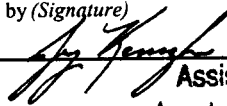
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-40736-3826J	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. CR 5-E 1/2 38261 W/2	
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. BONANZA 1023-10J	
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43-047-38229	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 2374'FSL, 1763'FEL		10. Field and Pool, or Exploratory NATURAL BUTTES	
At proposed prod. Zone		11. Sec., T., R., M., or Blk. and Survey or Area SECTION 10, T10S, R23E	
14. Distance in miles and direction from nearest town or post office* 32.1 MILES SOUTHEAST OF OURAY, UTAH		12. County or Parish UINTAH	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1763'		13. State UTAH	
16. No. of Acres in lease 642.36		17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C		20. BLM/BIA Bond No. on file BOND NO. 2971100-2533	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5468'GL		22. Approximate date work will start*	
23. Estimated duration			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 5/30/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) JERRY KENZKA	Date 2-15-2007
Title Assistant Field Manager		
Office VERNAL FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED RECEIVED

FEB 21 2007

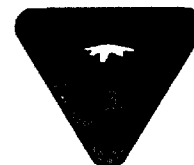
DIV. OF OIL, GAS & MINING

06BM1527A



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr-McGee Oil & Gas Onshore, LP Location: NWSE, Sec. 10, T10S, R23E
Well No: Bonanza 1023-10J Lease No: UTU-38261
API No: 43-047-38229 Agreement: CA CR-5 (E ½ ; UTU-80201 W ½)

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|--|--|
| Location Construction
(Notify NRS/Enviro Scientist) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify NRS/Enviro Scientist) | - Prior to moving on the drilling rig. |
| Spud Notice
(Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify Supervisory Petroleum Technician) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Supervisory Petroleum Technician) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

General Surface COA

Operator shall notify any active Gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- A surface casing shoe integrity test shall be performed.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip

logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

- **Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and / or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL

3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

CONDITIONS OF APPROVAL

Communitization Agreement Number CR-5, (E1/2, Section 10, T10S, R23E) was approved to include only production from the Mesaverde Formation.

Prior to well completion, approval by this office shall be required before production is established from any other formation(s).

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
KERR MCGEE OIL AND GAS ONSHORE LP

3a. Address **1368 SOUTH 1200 EAST, VERNAL, UTAH 84078**
3b. Phone No. (include area code) **(435)781-7003**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2374' FSL, 1763' FEL
NWSE, SEC 10-T10S-R23E**

5. Lease Serial No.

UTU-40736

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA UTU-60774

8. Well Name and No.

BONANZA 1023-10J

9. API Well No.

4304738229

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON JULY 10, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED

JUN 13 2007

DIV. OF OIL, GAS & MINING

Date: **06-20-07**

By: *[Signature]*

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

RAMEY HOOPES

Title

LAND SPECIALIST I

Signature

Ramey Hoopes

Date

June 11, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738229
Well Name: BONANZA 1023-10J
Location: NWSE, SEC 10-T10S-R23E
Company Permit Issued to: KERR-MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 7/10/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

6/11/2007

Date

Title: LAND SPECIALIST I

Representing: KERR-MCGEE OIL AND GAS ONSHORE L

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW/SE SEC. 10, T10S, R23E 2374'FSL, 1763'FEL

5. Lease Serial No.

UTU-40736

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA #UTU-60774

8. Well Name and No.

BONANZA 1023-10J

9. API Well No.

4304738229

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>WELL SPUD</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7#
SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 12/26/2007 AT 0900 HRS.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

December 26, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304738237	BONANZA 1023-17C	NENW	17	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	16585	12/26/2007	12/31/07		
Comments: MIRU PETE MARTIN BUCKET RIG. WSTMVD SPUD WELL LOCATION ON 12/26/2007 AT 1100 HRS.						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304738229	BONANZA 1023-10J	NWSE	10	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	16586	12/26/2007	12/31/07		
Comments: MIRU PETE MARTIN BUCKET RIG. WSTMVD SPUD WELL LOCATION ON 12/26/2007 AT 0900 HRS						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

12/26/2007

Title

Date

RECEIVED

DEC 27 2007

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR MCGEE OIL AND GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

435.781.7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW/SE SEC. 10, T10S, R23E 2347'FSL, 1763'FEL

5. Lease Serial No.

UTU-40736

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA: #UTU-60774

8. Well Name and No.

BONANZA 1023-10J

9. API Well No.

4304738229

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SET SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CSG
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU BILL MARTIN AIR RIG ON 01/07/2008. DRILLED 12 1/4" SURFACE HOLE TO 2120'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/300 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT NO LIFT PSI. TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE AND FELL BACK. 3RD TOP OUT W/50 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL. WORT

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

January 11, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

JAN 28 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW/SE SEC. 10, T10S, R23E 2374'FSL, 1763'FEL

5. Lease Serial No.

UTU-38261

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA #UTU-60774

8. Well Name and No.

BONANZA 1023-10J

9. API Well No.

4304738229

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other FINAL DRILLING OPERATIONS
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
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FINISHED DRILLING FROM 2120' TO 7900' ON 01/31/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/280 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1100 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. WASH LINES DROP PLUG AND DISPLACE W/121 BBLS WATER W/CLAYSTAN AND MAGNITUDE TO BUMP PLUG WITH 2700 PSI HAD 20 BBLS CMT RETURNS TO SURFACE THEN LOST RETURNS THE LAST 20 BBLS PRIOR TO BUMPING THE PLUG RELEASE PSI FLOATS HELD OK. WASH STACK LAND CSG W/45K STRING WT TEST HANGER TO 5000 PSI ND BOPS CLEAN MUD. TANKS CLEAN PITS.

RELEASED PIONEER RIG 59 ON 02/02/2008 AT 0930 HRS.

FEB 25 2008

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Signature

Title

SENIOR LAND ADMIN SPECIALIST

Date

February 4, 2008

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW/SE SEC. 10, T10S, R23E 2374'FSL, 1763'FEL

5. Lease Serial No.

UTU-38261

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA #UTU-60774

8. Well Name and No.

BONANZA 1023-10J

9. API Well No.

4304738229

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other PRODUCTION START-UP
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 04/12/2008 AT 9:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

April 17, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

APR 21 2008

DIV. OF OIL, GAS & MINING

WINS No.: 95600

BONANZA 1023-10J

Start Date: 12/26/2007

AFE No.: 2011276

Operation Summary Report

End Date: 2/2/2008

Operator KERR-MCGEE OIL & GAS ONSHORE LP		FIELD NAME NATURAL BUTTES	SPUD DATE 12/26/07	GL 5,468	KB 5486	ROUTE
API 4304738229		STATE UTAH	COUNTY UINTAH			DIVISION ROCKIES
Lat./Long.: Lat./Long.: 39.96278 / -109.30994 Q-Q/Sect/Town/Range: NWSE / 10 / 10S / 23E Footages: 2,374.00' FSL 1,763.00' FEL						
MTD 7900	TVD 7897		LOG MD		PBMD 7823	PBTVD 7823

EVENT INFORMATION: EVENT ACTIVITY: DRILLING REASON:
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED:
 OBJECTIVE2: Event End Status: COMPLETE

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / I	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
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12/26/2007

SUPERVISOR: LEW WELDON

0:00 - 9:00	9.00	DRLCON	12	P	WAIT ON PETE MARTIN BUCKET RIG
9:00 - 15:00	6.00	DRLCON	02	P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 0900 HR 12/26/07 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 69 BLM AND STATE NOTFIED OF SPUD
15:00 - 0:00	9.00	DRLCON	12	P	WOAR

1/8/2008

SUPERVISOR: LEW WELDON

0:00 - 0:00	24.00	DRLSUR	02	P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 0400 1/6/08 DRILL TO 2120' WATER @ 1400' CONDITION HOLE AND TOOH PREPAIR TO CEMENT
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1/9/2008

SUPERVISOR: LEW WELDON

0:00 - 3:00	3.00	DRLSUR	05	P	TRIP DP OUT OF HOLE
3:00 - 7:00	4.00	DRLSUR	11	P	RUN 2072' OF 9 5/8 CSG AND RIG DOWN AIR RIG
7:00 - 8:00	1.00	DRLSUR	15	P	CEMENT 1ST STAGE WITH 300 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK NO RETURNS TO PIT NO LIFT PSI
8:00 - 8:30	0.50	DRLSUR	15	P	1ST TOP JOB 150 SKS DOWN BS WOC
8:30 - 10:30	2.00	DRLSUR	15	P	2ND TOP JOB 225 SKS DOWN BS WOC
10:30 - 12:30	2.00	DRLSUR	15	P	3RD TOP JOB 225 SKS DOWN BS GOOD CMT TO SURFACE AND FELL BACK WOC
12:30 - 13:30	1.00	DRLSUR	15	P	4TH TOP JOB 50 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
13:30 - 0:00	10.50	DRLSUR	12	P	NO VISIBLE LEAKS PIT+ - 1/2 FULL WORT

1/17/2008

SUPERVISOR: JAMES GOBER

0:00 - 8:00	8.00	MIRU	01	E	P	RIG DOWN RIG, AND WINTERIZE, LOWER DERRICK. READY RIG FOR TRUCKS.
8:00 - 13:00	5.00	MIRU	01	A	P	WHILE RIGGING DOWN RIG, 3 L&S TRUCKS MOVED UPRIGHTS, BHA, FLARE LINES, CHOKE HOUSE, GAS BUSTER, MUD PRODUCT, TO LOCATION.
13:00 - 0:00	11.00	MIRU	01	E	P	RIG DOWN RIG, LOWER DERRICK, LOWER SUB, AND MORE WINTERIZATION, PERFORMED. SOME SCHEDULED MET. ON RIG.(CHANGE BUTTERFLY VALVES IN PITS, WORK ON DESANDER, GO THROUGH PUMPS)

1/18/2008

SUPERVISOR: JAMES GOBER

0:00 - 7:30	7.50	MIRU	01	E	P	WAIT FOR DAYLIGHT.
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EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	REASON:
	OBJECTIVE: DEVELOPMENT	DATE WELL STARTED/RESUMED:
	OBJECTIVE2:	Event End Status: COMPLETE

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / I	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	7:30 - 18:30	11.00	MIRU	01	A	P	TEAR DOWN RIG. AND MOVE JC CRANE DOWN FOR 2.5 HRS. SUB SPOTTED IN, AND SHAKER PIT. 95% OF RIG ON LOCATION.
	18:30 - 0:00	5.50	MIRU	01	A	P	WAIT FOR DAYLIGHT

1/19/2008

SUPERVISOR: JAMES GOBER

0:00 - 7:30	7.50	MIRU	01	A	P	WAIT TILL DAY LIGHT.
7:30 - 13:00	5.50	MIRU	01	A	P	SET RIG W/ 6 L&S TRUCKS AND 2 FORKLIFTS. 1 JC CRANE. RELEASE TRUCKS AND FORKLIFT @ 13:00.
13:00 - 15:00	2.00	MIRU	07	A	Z	UNABLE TO GET DRAWWORK MOTORS RUNNING DUE TO COLD WEATHER. LIGHT PLANT UNABLE TO CONVERT POWER. BOTH PROBLEMS FIXED BY 16:30. CRANE RELEASED @ 14:00
15:00 - 0:00	9.00	MIRU	01	B	P	RAISE SUB, UNABLE TO RAISE DERRICK DUE TO THE LACK OF DAYLIGHT. RIG UP RIG.

1/20/2008

SUPERVISOR: JAMES GOBER

0:00 - 7:30	7.50	MIRU	01	B	P	RIG UP RIG. RIG UP FLARE LINES, RIG UP STEAM LINES, RUN ELECTRICAL, RIG UP WATER LINES, RIG UP PITS AND PUMPS.
7:30 - 10:00	2.50	MIRU	01	B	P	RAISE DERRICK
10:00 - 20:30	10.50	MIRU	01	B	P	RIG UP FLOOR, GET BOILER CIRC, GET PITS CIRC. WATERLINE TO PITS, SET BEAVER SLIDE, FINISH INSTALLING WIND WALLS,
20:30 - 21:30	1.00	MIRU	06	C	P	CHANGE OUT TUGGER LINE.
21:30 - 23:30	2.00	MIRU	13	A	P	START NIPPLE UP. SLIDE IN STACK, TIE ON TO STACK, TRY PICKING STACK.
23:30 - 0:00	0.50	MIRU	07	A	P	REPAIR ON DWK CLUTCH.

1/21/2008

SUPERVISOR: JAMES GOBER

0:00 - 0:30	0.50	MIRU	07	A	Z	WORK ON QUICKLEASE FOR CLUTCH.
0:30 - 2:30	2.00	MIRU	07	C	P	REDRESS LOCK DOWN FLANGE ON STACK.
2:30 - 4:30	2.00	MIRU	13	A	P	LOCK DOWN BOP FLANGE AND TEST TO 5000 PSI FOR 10 MIN.
4:30 - 6:00	1.50	MIRU	01	B	P	DRAG IN CAT WALK, PUT UP SOME WIND WALLS, SET BEAVER SLIDE.
6:00 - 11:00	5.00	MIRU	07	A	Z	THAW PUMPS AND WATER LINE RETURN. REPAIR DRAW WORK CLUTCH QUICK RELEASE. REPAIR 4" MUD LINE VALVE.
11:00 - 15:00	4.00	MIRU	13	A	P	NIPPLE UP CHOKE LINE, KILL LINE, INSTALL ROT. HEAD, HOOK UP FLOW LINE, HOOK UP ACCUMULATOR AND FUNCTION TEST BOP.
15:00 - 19:00	4.00	MIRU	01	B	P	P/U KELLY, INSTALL RAT HOLE AND MOUSE HOLE, RIG UP TONGES, RIG UP PIPE SPINNERS, RIG UP EDR/PVT,
19:00 - 0:00	5.00	DRLPRO	13	C	P	BOP TEST. TEST UPPER, LOWER, FLOOR, AND DART VALVE, INSIDE, OUTSIDE BOP VALVES, PIPE RAMS, BLIND RAMS, CHOKE LINE AND MANIFOLD TO 5000 PSI FOR 10 MIN EA. AND 250 PSI FOR 5 MIN. TEST HYDRIL TO 2500 PSI FOR 10 MIN AND 250 FOR 5 MIN. TEST CSG TO 1500 PSI FOR 30 MIN.

1/22/2008

SUPERVISOR: JAMES GOBER

0:00 - 2:00	2.00	DRLPRO	13	C	P	TEST BOP.
2:00 - 2:30	0.50	DRLPRO	13	B	P	SET WEAR RING.
2:30 - 3:30	1.00	DRLPRO	05	A	P	RIG UP WEATHERFORD TRS LAYDOWN TRUCK AND HOLD SAFETY MEETING.
3:30 - 5:00	1.50	DRLPRO	05	A	P	MAKE UP BIT#1 ON HUNTING PERFORMANCE MOTOR, P/U BHA
5:00 - 5:30	0.50	DRLPRO	07	A	P	REPLACE ELEVATOR KEEPER PIN.

EVENT INFORMATION: EVENT ACTIVITY: DRILLING REASON:
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED:
 OBJECTIVE2: Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 PETE MARTIN DRILLING / I 12/26/2007 12/26/2007 12/26/2007 12/26/2007 12/26/2007 12/26/2007 12/26/2007

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	5:30 - 14:00	8.50	DRLPRO	05	A	P	P/U BHA, RD LD MACH. INSTALL ROTATING HEAD INSERT TORQUE KELLY.
	14:00 - 16:00	2.00	DRLPRO	02	F	P	DRILL SHOE TRACK.
	16:00 - 18:30	2.50	DRLPRO	02	B	P	DRILL 2120'-2239' (119') 47.6'/HR. 12/14K WOB, 8.4/27
	18:30 - 19:00	0.50	DRLPRO	06	A	P	RIG SERVICE
	19:00 - 19:30	0.50	DRLPRO	07	B	Z	CHANGE SWAB IN #2 PUMP, #1 PUMP NOT PUMPING.
	19:30 - 22:30	3.00	DRLPRO	02	B	P	DRILL 2239'-2471' (232') 77.3'/HR. 16/18K WOB, 8.7/36
	22:30 - 23:00	0.50	DRLPRO	07	B	Z	WORK ON PUMPS.
	23:00 - 0:00	1.00	DRLPRO	02	B	P	DRILL 2471'-2545' (74') 74'/HR. 16/18K WOB, 8.7/36

1/23/2008

SUPERVISOR: JAMES GOBER

0:00 - 8:30	8.50	DRLPRO	02	B	P	DRILL 2545'-3121' (576') 67.7'/HR. 16/18K WOB, 8.7/36
8:30 - 9:00	0.50	DRLPRO	07	B	Z	REPAIR #1 PUMP
9:00 - 10:30	1.50	DRLPRO	02	B	P	DRILL 3121'-3251' (130') 86.6'/HR. 18K WOB, 9.1/34
10:30 - 11:00	0.50	DRLPRO	09	A	P	SURVEY @ 3220' - 2.25 DEG.
11:00 - 12:00	1.00	DRLPRO	07	B	Z	WORK ON #2 PUMP, #1 PUMP DOWN NEEDING WATER PUMP.
12:00 - 15:00	3.00	DRLPRO	02	B	P	DRILL 3251'-3509' (258') 86'/HR. 18K WOB, 9.1/34
15:00 - 17:00	2.00	DRLPRO	07	B	Z	CHANGE LINER IN #2 PUMP, #1 DOWN FOR WATER PUMP.
17:00 - 18:00	1.00	DRLPRO	02	B	P	DRILL 3509'-3568' (59') 59'/HR. 18K WOB, 9.1/34
18:00 - 0:00	6.00	DRLPRO	07	B	Z	WAIT ON LINER PARTS FOR #2 PUMP, FINISH CHANGING OUT WATER PUMP IN #1. PUT #1 ON HOLE, BLEW LINER OUT, BROKE PUSH ROD AND PONY ROD, BROKE PONY ROD WIPER PACKING FLANGE. PUT #2 PUMP BACK TOGETHER, PICKLE #1 PUMP. MIX AND PUMP SLUG.

1/24/2008

SUPERVISOR: JAMES GOBER

0:00 - 2:00	2.00	DRLPRO	07	B	Z	POOH TO CASING SHOE.
2:00 - 0:00	22.00	DRLPRO	07	B	Z	TEAR DOWN #2 PUMP, WELD WEAR PLATE ON LINER, REBUILD #2. WAIT ON PARTS FOR #1 PUMP. REBUILD 4" VALVE ON #2 PUMP "LEAKING". REPAIR SHAKER, STEAM HEATERS UNDER FLOOR AND ELECTRICAL LINES. REBUILD #1 PUMP, TEST PUMP, CHANGE LINER IN #1 PUMP.

1/25/2008

SUPERVISOR: JAMES GOBER

0:00 - 4:00	4.00	DRLPRO	07	B	Z	FINISH REPAIR TO #2 PUMP, TEST PUMP, REPLACE SWAB.
4:00 - 6:30	2.50	DRLPRO	07	B	Z	CIRCULATE STRING, TIH, BREAK CIRCULATION AND CHECK OUT PUMP.
6:30 - 10:00	3.50	DRLPRO	02	B	P	DRILL 3568'-3754' (186') 53.1'/HR. 12/18K WOB, 9.0/32
10:00 - 10:30	0.50	DRLPRO	09	A	P	SURVEY @ 3758' - 2.29 DEG.
10:30 - 20:00	9.50	DRLPRO	02	B	P	DRILL 3754'-4325' (571') 60.1'/HR. 16/18K WOB, 9.1/34
20:00 - 21:00	1.00	DRLPRO	09	A	P	SURVEY @ 4250' - 2.42 DEG.
21:00 - 0:00	3.00	DRLPRO	02	B	P	DRILL 4325'-4548' (223') 74.3'/HR. 16/18K WOB, 9.7/43

1/26/2008

SUPERVISOR: BRUCE TAYLOR

0:00 - 9:00	9.00	DRLPRO	02	B	P	DRILL 4548'-5022' (474') 52.6'/HR. 16/18K WOB, 10.2/46
9:00 - 10:00	1.00	DRLPRO	09	A	P	SURVEY @ 4945' - 1.99 DEG.
10:00 - 16:30	6.50	DRLPRO	02	B	P	DRILL 5022'-5371' (349') 53.7'/HR. 16/18K WOB, 10.3/44
16:30 - 17:00	0.50	DRLPRO	06	A	P	SERVICE RIG.
17:00 - 20:30	3.50	DRLPRO	02	B	P	DRILL 5371'-5495' (124') 35.4'/HR. 16/18K WOB, 10.3/42
20:30 - 21:30	1.00	DRLPRO	07	B	Z	CHANGE SWAB #2 PUMP, REPAIR #1 ROD OILER SHORT IN ELECTRICAL LINE.
21:30 - 22:30	1.00	DRLPRO	02	B	P	DRILL 5495'-5529' (34') 16/18K WOB, 10.3/44

Wins No.: 95600		BONANZA 1023-10J					API No.: 4304738229	
EVENT INFORMATION:		EVENT ACTIVITY: DRILLING					REASON:	
		OBJECTIVE: DEVELOPMENT					DATE WELL STARTED/RESUMED:	
		OBJECTIVE2:					Event End Status: COMPLETE	
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / I		12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation	
	22:30 - 0:00	1.50	DRLPRO	07	A	Z	TROUBLE SHOOT ROTARY TABLE DRIVE, THAW LINES.	
1/27/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 0:30	0.50	DRLPRO	07	A	Z	FINISH THAWING OUT LINES.	
	0:30 - 22:30	22.00	DRLPRO	02	B	P	DRILL 5529'-6131' (602') 27.3'/HR. 16/18K WBO, 10.6/42	
	22:30 - 23:00	0.50	DRLPRO	09	A	P	SURVEY @ 6054' - 1.12DEG.	
	23:00 - 0:00	1.00	DRLPRO	02	B	P	DRILL 6131'-6166' (35') 16/18K WOB, 10.5/42	
1/28/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 16:30	16.50	DRLPRO	02	B	P	DRILL 6166'-6859' (693') 42'/HR. 18K WOB, 10.7/42	
	16:30 - 17:00	0.50	DRLPRO	06	A	P	SERVICE RIG	
	17:00 - 0:00	7.00	DRLPRO	02	B	P	DRILL 6859'-7080' (221') 31.5'/HR. 18K WOB, 11.1/42	
1/29/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 7:00	7.00	DRLPRO	02	B	P	DRILL 7080'-7238' (156') 22.4'/HR. 18/20K WOB, 11.2/42	
	7:00 - 7:30	0.50	DRLPRO	06	A	P	SERVICE RIG.	
	7:30 - 9:00	1.50	DRLPRO	04	C	P	CIRCULATE BOTTOMS UP, PUMP SLUG, THAW AIR LINE, BLOW DOWN KELLY.	
	9:00 - 14:30	5.50	DRLPRO	05	A	P	POOH FOR NEW BIT DUE TO SLOW PENETRATION RATE. FUNCTION BLIND RAMS.	
	14:30 - 17:00	2.50	DRLPRO	05	A	P	MAKE UP NEW HP506Z PDC BIT, TIH BREAKING CIRCULATION AT BHA AND AT SHOE.	
	17:00 - 18:30	1.50	DRLPRO	06	D	P	SLIP AND CUT DRILL LINE.	
	18:30 - 22:30	4.00	DRLPRO	05	A	P	TIH BREAK CIRC. @ 5000' AND TD.	
	22:30 - 0:00	1.50	DRLPRO	03	D	P	KELLY UP, WASH 85' TO BOTTOM. HIT 2 SMALL BRIDGES. PATTERN BIT	
1/30/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 15:00	15.00	DRLPRO	02	B	P	DRILL 7238'-7577' (339') 22.6'/HR. 18K WOB, MW 10.4/42	
	15:00 - 15:30	0.50	DRLPRO	06	A	P	SERVICE RIG.	
	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL 7577'-7820' (243') 28.5'/HR. 18K WOB, 11.4/43	
1/31/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 3:30	3.50	DRLPRO	02	B	P	DRILL 7820'-7900' (80') 22.8'/HR. 24K WOB, 11.4/43	
	3:30 - 5:00	1.50	DRLPRO	04	C	P	CIRCULATE BOTTOMS UP. PUMP SLUG.	
	5:00 - 7:00	2.00	DRLPRO	05	E	P	SHORT TRIP 20 STANDS.	
	7:00 - 8:30	1.50	DRLPRO	04	C	P	CIRCULATE BOTTOMS UP, TRIP GAS 2800 UNITS. HELD SAFETY MEETING AND RIG UP WEATHERFORD LD MACH.	
	8:30 - 9:00	0.50	DRLPRO	06	A	P	SERVICE RIG WHILE CIRC. BU.	
	9:00 - 20:00	11.00	DRLPRO	07	A	Z	FOUND HIGH PRESSURE TRANSMISSION HOSE LEAKING ON #2 DECK MOTOR, KILL MOTOR AND REPLACE SAME. UNABLE TO RESTART #2 MOTOR. ATTEMPT TO TROUBLE SHOOT PROBLEM WITH OUT SUCCESS UTILIZING A THIRD PARTY MECHANIC. MIX AND PUMP SLUG	
	20:00 - 0:00	4.00	DRLPRO	05	B	P	POOH SLOW LAYING DOWN DRILL PIPE WITH 1 DECK MOTOR.	
2/1/2008								
SUPERVISOR: BRUCE TAYLOR								
	0:00 - 5:00	5.00	DRLPRO	05	B	P	FINISH LDDP, BREAK KELLY, LD BHA. PULL WEAR BUSHING	

Wins No.: 95600		BONANZA 1023-10J				API No.: 4304738229	
EVENT INFORMATION:		EVENT ACTIVITY: DRILLING				REASON:	
		OBJECTIVE: DEVELOPMENT				DATE WELL STARTED/RESUMED:	
		OBJECTIVE2:				Event End Status: COMPLETE	
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release
		12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007	12/26/2007
PETE MARTIN DRILLING / I							

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	5:00 - 10:30	5.50	DRLPRO	08	A	P	HELD SAFETY MEETING WITH BAKER ATLAS, RIG UP AND LOG FROM 7970' TO 2120' WITH TRIPLE COMBO. LOG 2120' TO SURFACE WITH GR. RDMO BAKER.
	10:30 - 11:30	1.00	DRLPRO	11	A	P	HELD SAFETY MEETING, RU WEATHERFORD CSG. CREW.
	11:30 - 18:00	6.50	DRLPRO	11	B	P	RUN CASING: FLOAT SHOE, 1 FLOAT JT., FLOAT COLLAR, 90 JTS. CSG. MARKER SET AT 4015', 94 JTS. 4 1/2" 11.6 PPF, I-80 LTC, OAL 7878' SET AT 7873'. CENTRALIZED WITH 15 BOW SPRING CENTRALIZERS, 1 ON FIRST 3 JTS. THEN EVERY THIRD JT. FILLED AND BROKE CIRC. EVERY 50 JTS. TAG BOTTOM, SPACE OUT.
	18:00 - 19:00	1.00	DRLPRO	04	E	P	INSTALL PLUG RETAINER, CIRCULATE BOTTOMS UP WITH RIG PUMPS. HELD SAFETY MEETING WITH BJ CEMENTERS.
	19:00 - 21:00	2.00	DRLPRO	15	A	P	CEMENT CSG.: TEST LINES TO 5000, PUMP 20 BBLS MUD CLEAN @ 8.3 PPG, 20 SXS PL2 SCAVENGR MIXED @ 10.0 PPG, LEAD W/ 280 SXS PL2 MIXED AT 11.0 PPG, TAIL W/ 1100 SKS 50:50 POZ MXED @ 14.3 PPG, WASH LINES, DROP PLUG AND DISPLACE WITH 121 BBLS WATER W. CLAYSTAN AND MAGNACIDE TO BUMP PLUG WITH 2700 PSI. HAD 20 BBLS CEMENT RETURNS TO SURFACE THEN LOSE RETURNS THE LAST 20 BBLS PRIOR TO BUMPING THE PLUG. RELEASE PSI, FLOATS HELD OK.
	21:00 - 21:30	0.50	DRLPRO	15	A	P	WASH STACK, LAND CASING WITH 45K STRING WT. TEST HANGER TO 5000 PSI.
	21:30 - 22:00	0.50	DRLPRO	15	A	P	RIG DOWN BJ.
	22:00 - 0:00	2.00	DRLPRO	18	A	P	ND BOP'S, START CLEANING MUD TANKS.

2/2/2008
 SUPERVISOR: BRUCE TAYLOR

0:00 - 9:30	9.50	MAINT	13	A	P	FINISH ND BOP'S. CLEAN PITS AND RELEASE RIG @ 09:30
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WINS No.: 95600

BONANZA 1023-10J

Start Date: 4/7/2008

AFE No.: 2011276

Operation Summary Report

End Date: 4/11/2008

Operator KERR-MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 12/26/07	GL 5,468	KB 5486	ROUTE
API 4304738229	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Lat./Long.: Lat./Long.: 39.96278 / -109.30994		Q-Q/Sect/Town/Range: NWSE / 10 / 10S / 23E		Footages: 2,374.00' FSL 1,763.00' FEL	
MTD 7900	TVD 7897	LOG MD	PBMD 7823	PBTVD 7823	

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION REASON: MV
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED:
 OBJECTIVE2: ORIGINAL Event End Status: COMPLETE

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
MILES 3 / 3	04/07/2008			04/11/2008		04/11/2008	

Date	Time Start-End	Duration (hr)	Phase	Code	Subco de	P/U	Operation
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4/7/2008

SUPERVISOR: DOUG CHIVERS

7:00 - 7:30	0.50	COMP	48		P	HSM. ROADING RIG & RU
7:30 - 15:00	7.50	COMP	31	I	P	MIRU RIG & RIG EQUIPMENT. ND WELL HEAD NU BOP'S. PU 3 7/8" MILL & SUB. DRIFT & TALLY & RIH W/ 160 JTS OF 2 3/8" J-55 4.7# TBG. EOT @ 5,030' SWI SDFN

4/8/2008

SUPERVISOR: DOUG CHIVERS

7:00 - 7:30	0.50	COMP	48		P	HSM. TRIPPING PIPE & PRESSURE TESTING
7:30 - 17:00	9.50	COMP	37	B	P	RIH W/ 30 JTS OF 2 3/8" J-55 4.7# TBG. EOT @ 5,972'. MO TBG TRAILER. POOH W/ 95 STANDS. ND BOP'S NU FRAC VALVES. MIRU B&C QUICK TEST. PRESSURE TEST CASING & BOTH FRAC VALVES TO 7,500 PSI. GOOD TEST. MIRU CUTTERS TO PERFORATE.

STG 1) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120
 DEG PHASING.
 PERFORATE 7,724' - 29' 4 SPF, 7,598' - 7,602' 4 SPF, 7,507' - 10'
 3 SPF, 45 HOLES.
 MIRU BJ TO PREP FOR FRAC. HOLD PRE JOB SAFTY
 MEETING.
 PRIME UP PUMPS & LINES & PRESSURE TEST SURFACE
 EQUIPMENT TO 8,500 PSI.
 WHP 375 PSI, BRK 4,395 PSI, @ 3.6 BPM, ISIP 2,227 PSI, FG
 .74.
 PUMP 100 BBLS @ 51.1 BPM @ 4,193 PSI = 45 OF 45 HOLES
 OPEN.
 MP 4,479 PSI, MR 51.9 BPM, AP 4,014 PSI, AR 51.4 BPM, ISIP
 2,152 PSI, FG .73 NPI-75.
 PUMP 2,691 BBLS OF SLICK WATER & 91,908 LBS OF 30/50
 SAND & 5,000 LBS OF 20/40 RESIN SAND.
 TOTAL PROP 96,908 LBS.

STG 2) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120
 DEG PHASING.
 SET 8K BAKER CBP @ 7,316' PERFORATE 7,281' - 86' 4 SPF,
 7,176' - 80' 4 SPF, 7,097' - 7,100' 3 SPF, 45 HOLES.
 SWI SDFN.

4/9/2008

SUPERVISOR: DOUG CHIVERS

7:00 - 7:30	0.50	COMP	48		P	HSM. FRACING & PERFORATING
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Wins No.: 95600		BONANZA 1023-10J				API No.: 4304738229	
EVENT INFORMATION:		EVENT ACTIVITY: COMPLETION				REASON: MV	
		OBJECTIVE: DEVELOPMENT				DATE WELL STARTED/RESUMED:	
		OBJECTIVE2: ORIGINAL				Event End Status: COMPLETE	
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release Rig Off Location
MILES 3 / 3		04/07/2008				04/11/2008	04/11/2008
Date	Time Start-End	Duration (hr)	Phase	Code	Subco de	P/U	Operation
	7:30 - 17:00	9.50	COMP	36	B	P	STG 2) WHP 1,794 PSI, BRK 3,286 PSI, @ 3.6 BPM, ISIP 1,742 PSI, FG .69. PUMP 100 BBLS @ 50.3 BPM @ 4,980 PSI = 40 OF 45 HOLES OPEN. MP 5,340 PSI, MR 51.0 BPM, AP 4,270 PSI, AR 50.4 BPM, ISIP 1,878 PSI, FG .71 NPI 136. PUMP 1,878 BBLS OF SLICK WATER & 61,841 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 66,841 LBS. STG 3) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING. SET 8K BAKER CBP @ 6,980'. PERFORATE 6,945' - 50' 4 SPF, 6,874' - 78' 4 SPF, 6,827' - 30' 3 SPF, 45 HOLES. WHP 1,498 PSI, BRK 3,366 PSI, @ 3.2 BPM, ISIP 1,510 PSI, FG .66. PUMP 100 BBLS @ 40.2 BPM @ 2,850 PSI = 45 OF 45 HOLES OPEN. MP 2,831 PSI, MR 41.3 BPM, AP 2,452 PSI, AR 40.9 BPM, ISIP 1,481 PSI, FG .66 NPI -29. PUMP 1,809 BBLS OF SLICK WATER & 62,185 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 67,185 LBS. STG 4) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. SET 8K BAKER CBP @ 6,610'. PERFORATE 6,572' - 80' 4 SPF, 6,544' - 46' 4 SPF, 40 HOLES. WHP 307 PSI, BRK 2,343 PSI, @ 3.6 BPM, ISIP 1,150 PSI, FG .62. PUMP 100 BBLS @ 49.6 BPM @ 3,838 PSI = 40 OF 40 HOLES OPEN. MP 3,854 PSI, MR 49.9 BPM, AP 3,519 PSI, AR 49.6 BPM, ISIP 2,076 PSI, FG .76 NPI 926. PUMP 770 BBLS OF SLICK WATER & 16,366 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 21,366 LBS. KILL PLG) RIH & SET 8K BAKER CBP @ 6,490'. RDMO CUTTERS & BJ. ND FRAC VALVES & NU BOP'S. PU 3 7/8" BIT POBS & XN NIPPLE. RIH W/ 206 JTS OF 2 3/8" J-55 TBG. EOT @ 6,473'. SWI SDFN
4/10/2008							
SUPERVISOR: DOUG CHIVERS							
	7:00 - 7:30	0.50	COMP	48		P	HSM. DRILLING PLUGS & LANDING TUBING

Wins No.: 95600		BONANZA 1023-10J				API No.: 4304738229	
EVENT INFORMATION:		EVENT ACTIVITY: COMPLETION OBJECTIVE: DEVELOPMENT OBJECTIVE2: ORIGINAL				REASON: MV DATE WELL STARTED/RESUMED: Event End Status: COMPLETE	
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release Rig Off Location
MILES 3 / 3		04/07/2008				04/11/2008	04/11/2008
Date	Time Start-End	Duration (hr)	Phase	Code	Subco de	P/U	Operation
	7:30 - 15:00	7.50	COMP	44	C	P	RU POWER SWIVEL. BRK CICR W/ 2% KCL WATER. RIH C/O 30' OF SAND TAG PLG 1 @ 6,490' DRL PLG IN 10 MIN. 100 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 2 @ 6,610' DRL PLG IN 10 MIN. 100 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 3 @ 6,980' DRL PLG IN 10 MIN. 200 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 4 @ 7,316' DRL PLG IN 10 MIN. 400 PSI INCREASE. RIH C/O 60' OF SAND TO 7,823' PBT. CIRCULATE WELL CLEAN. POOH LD 25 JTS OF 2 3/8" J-55 4.7# TBG. LAND TBG W/ 224 JTS. EOT @ 7045.45' ND BOP'S NU WELL HEAD. DROP BALL TO SHEAR OFF BIT. PUMP OFF BIT @ 1,250 PSI. SWI WAIT 30 MINUTES TO LET BIT FALL TO BOTTOM. TURN WELL OVER TO FLOW TESTERS. 259 JTS OUTBOUND 224 JTS LANDED 35 JTS RETURNED
4/11/2008							
SUPERVISOR: DOUG CHIVERS							
	7:00 - 7:30	0.50	COMP	48		P	HSM. RIGGING DOWN & MOVING
	7:30 - 15:00	7.50	COMP	30	C	P	WORK ON RIG. RDMO. ROAD TO BONANZA 1023-11M
	15:00 - 15:00	0.00	PROD	33	A		FLOWBACK REPORT - CP 2400#, TP 1850#, CK 20/64", 45 BWPH, TRACE SAND, LIGHT SAND TTL BBLS RECOVERED: 1800 BBLS LEFT TO RECOVER: 5275
4/12/2008							
SUPERVISOR: MARK BONNIE							
	7:00 -						7 AM FLOWBACK REPORT: CP 2550#, TP 1850#, CK 20/64", 25 BWPH, TRACE SAND, MED GAS TTL BBLS RECOVERED: 2523 BBLS LEFT TO RECOVER: 4552
	9:00 -						TURNED WELL TO SALES @ 0900 ON 4/12/2008 - FTP 1900#, FCP 2500#, CK 20/64", 2200 MCFD, 600 BWPD
4/13/2008							
SUPERVISOR: MARK BONNIE							
	7:00 -						7 AM FLOWBACK REPORT: CP 2300#, TP 1650#, CK 20/64", 20 BWPH, TRACE SAND, 2300 MCFD TTL BBLS RECOVERED: 3075 BBLS LEFT TO RECOVER: 4000
4/14/2008							
SUPERVISOR: MARK BONNIE							
	7:00 -						7 AM FLOWBACK REPORT: CP 2150#, TP 1550#, CK 20/64", 18 BWPH, CLEAN, 2300 MCFD TTL BBLS RECOVERED: 3527 BBLS LEFT TO RECOVER: 3548

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

5. Lease Serial No.
UTU-38261

1a. Type of Well ☐ Oil Well ☒ Gas ☐ Dry Other
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

2. Name of Operator

KERR-MCGEE OIL & GAS ONSHORE LP

7. Unit or CA Agreement Name and No.

CA: UTU-60774

3. Address

1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3a. Phone No. (include area code)

(435) 781-7024

8. Lease Name and Well No.

BONANZA 1023-10J

4. Location of Well (Report locations clearly and in accordance with Federal requirements) *

At surface

NW/SE 2374'FSL, 1763'FEL

At top prod. interval reported below

9. API Well No.

4304738229

10. Field and Pool, or Exploratory

NATURAL BUTTES

11. Sec., T., R., M., or Block and
Survey or Area **SEC. 10, T10S, R23E**

12. County or Parish

UINTAH

13. State

UTAH

At total depth

14. Date Spudded

12/26/007

15. Date T.D. Reached

01/31/08

16. Date Completed

☐ D & A ☒ Ready to Prod.
04/12/08

17. Elevations (DF, RKB, RT, GL)*

5468'GL

18. Total Depth: MD **7900'**
TVD

19. Plug Back T.D.: MD **7823'**
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL-CCL-GR

22. Was well cored? ☒ No ☐ Yes (Submit copy)
Was DST run? ☒ No ☐ Yes (Submit copy)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	36#		2120'		950 SX			
7 7/8"	4 1/2"	11.6#		7900'		1380 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	7045'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6544'	7729'	6544'-7729'	0.36	175	OPEN
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
6544'-7729'	PMP 7075 BBLS SLICK H2O & 252,300# 30/50 SD

RECEIVED

MAY 08 2008

DIV. OF OIL, GAS & MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/12/08	04/15/08	24	→	0	2,269	360			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. 1383#	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
18/64	SI	2001#	→	0	2269	360			PRODUCING GAS WELL

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
	SI		→						

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)**SOLD**

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH MESAVERDE	4018' 5838'	5838'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 5. Core Analysis 7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (*please print*) SHEILA UPCHEGOTitle SENIOR LAND ADMIN SPECIALISTSignature Date 05/05/08

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40736
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: BONANZA 1023-10J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2374 FSL 1763 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 10 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047382290000
PHONE NUMBER: 720 929-6100		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/26/2015	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: TUBING FAILURE	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. A WORKOVER FOR TUBING FAILURE HAS BEEN COMPLETED ON THE BONANZA 1023-10J, SEE THE ATTACHED OPERATIONS SUMMARY REPORT		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 23, 2015		
NAME (PLEASE PRINT) Doreen Green	PHONE NUMBER 435 781-9758	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 3/9/2015	

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-10J				Spud Conductor: 12/26/2007				Spud date: 1/6/2008			
Project: UTAH-UINTAH				Site: BONANZA 1023-10J				Rig name no.: MILES 2/2			
Event: WELL WORK EXPENSE				Start date: 2/19/2015				End date: 2/26/2015			
Active datum: RKB @5,486.00usft (above Mean Sea Level)				UWI: 0/10/S/23/E/10/0/NWSE/6/PM/S/2,374.00/E/0/1,763.00/0/0							
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation			
2/19/2015	12:00 - 13:00	1.00	MAINT	30	A	P		ROAD RIG TO LOC, MIRU			
	13:00 - 14:15	1.25	MAINT	30	F	P		KILL WELL, NDWH, NU BOP'S, TEST BOP'S			
	14:15 - 15:30	1.25	MAINT	31	I	P		UN LAND TBG, TIH 22 JTS TO 7750' TAG, PU LD 22 JTS TO 7045',			
	15:30 - 17:00	1.50	MAINT	45	A	P		RU PRS, SCAN TBG 74 JTS OUT. SWIFN			
2/20/2015	6:45 - 7:00	0.25	MAINT	48		P		HSM. SLIP, TRIP & FALLS.			
	7:00 - 15:00	8.00	MAINT	45	A	P		OPEN WELL. BLOW WELL DOWN T/ FBT. CONT POOH SCAN TBG. RDMO SCAM TECH. PU 37/8 MILL, POBS & 1.875 XN. RIH W/ 206 JTS. EOT @ 6530'. SWIFWE.			
2/23/2015	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA			
	7:15 - 13:00	5.75	MAINT	44	D	P		700# SICP, CONTROL WELL W/ 20 BBLS T-MAC, TIH W/ TBG & TAG FILL @ 7129', P/U PWR SWVL, MIRU TECH FOAM, BREAK CIRC IN 1HR, C/O FROM 7129' TO 7818' (89' BELOW BTM PERF), CIRC WELL CLEAN, RD PWR SWVL, RD TECH FOAM			
	13:00 - 17:00	4.00	MAINT	31	I	P		TOOH W/ 2-3/8" TBG, LD MILL, MU XN NIPPLE, START TIH, SWI, DRAIN PUMP & LINES, SDFN			
2/24/2015	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA			
	7:15 - 9:30	2.25	MAINT	31	I	P		300# SICP, CONTROL WELL W/ 20 BBLS T-MAC, TIH W/ 2-3/8" TBG, BROACH TBG TO XN W/ 1.910 BROACH, LAND TBG ON HANGER W/ 222 JTS			
	9:30 - 11:00	1.50	MAINT	30	C	P		ND BOP'S, NU WH, SWI, RDMO 18" HANGER .83" JTS 2-3/8" P-110 4948.89" J-55 2072.52" 1.05"EOT @ 7042.29'			
2/26/2015	7:00 - 12:00	5.00	PROD	42		P		SABBING FL 1800			